

INDUSTRIAL COMMITTEE OF AMMUNITION PRODUCERS (ICAP) YEAR 2000 REPORT

INDUSTRIAL COMMITTEE OF AMMUNITION PRODUCERS (ICAP)

- Objective: Forum To Discuss Issues, Policies, Procedures, And Initiatives In Ammunition (Since 1980)
- ICAP Serves The CG Of The OSC
- Ammunition Industry Segments Represented And NDIA
- Army Representation Includes Triad Leaders, CG ARDEC, And DCS-AMMO

MAJOR ISSUES ADDRESSED IN 2000 BY ICAP

- Arsenal Act Policy And Implementation
- GOCO Efficiency Recommendations
- Delinquent Product Deliveries – Root Cause
- Industrial Base For U.S. War Fighter – Globalization
- Brigade Combat Team, Future Combat System – Lethality
- OSC Strategic Planning

ARSENAL ACT

10 U.S.C. 4532

- The Secretary Of The Army Will Obtain Supplies From Factories Or Arsenals Owned By The U.S. As Long As They Can Make Them On An Economical Basis
- The Secretary May Abolish Any Arsenal He Considers Unnecessary
- Policy Letter 98-1 Emphasizes Use Of Commercial Facilities

ARSENAL ACT GOCO APPLICABILITY

- Government Decision If Arsenal Act Applies To A Procurement
- Act Is Not Intended To Provide An Unfair Advantage To A GOCO Operator
- Unless Previously Approved, A GOCO Will Not Utilize Out-of-pocket Costing For A Bid

ARSENAL ACT

- Summary

- Army Committed To Maintaining A Workload Balance Between Commercial And Organic Industrial Base

- ICAP Position

- Until Consistent And Even Handed History Is Demonstrated, Application Will Continue To Be A Concern

GOCO EFFICIENCY RECOMMENDATIONS

- Compete All GOGO's – Best Value Awards
 - OSC Response
 - Prevented By Statutory Limitations
 - Mixed Feelings On Desirability
- Compete All OSC Workload – No Direction Of Work
 - OSC Response
 - Case-by-Case Decisions
 - Not Prudent Across The Board

GOCO EFFICIENCY RECOMMENDATIONS

- Worldwide Product Sourcing – U.S. Impacts
 - OSC Response
 - Proper Evaluation In Place
 - Laws Specify Approach
- Third Party Work – Level Playing Field
 - OSC Response
 - Arms Initiatives Continue
 - Triad IPT's Evaluating GOCO Issues

GOCO EFFICIENCY RECOMMENDATIONS

- Improve Facilities Use Requests Turnaround Time
 - OSC Response
 - Working To Streamline Process
 - Blanket Use Agreements, Local Decisions
- GOCO Operating Contracts – 15 Yr. Minimum
 - OSC Response
 - Extending Timing Case By Case
 - Holston and Lake City (25 Years)

GOCO EFFICIENCY RECOMMENDATIONS

- Local OSC Staffs – Right Size, Value Added Support
 - OSC Response
 - Evaluating Procurement Strategies and Right Sizing Staffs
- Limit USG Audits – Reduce Redundancy
 - OSC Response
 - Getting Forecasts, Eliminating Duplication

DELINQUENT PRODUCT DELIVERIES ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION

- AMC Policy: Any Contract More Than 90 Days Delinquent Should Be Considered For Termination
- Quarterly Metrics By Command On Delinquencies Over 90 Days
- October 1999 Delinquent Ammo Contracts Totaled \$742 Million

DELINQUENT PRODUCT DELIVERIES ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION

- Root Cause Analysis
 - Acquisition Related Delays (35%)
 - Production Related Delays (30%)
 - Engineering Related Delays (15%)
- Mitigating Strategies Defined
 - Managing Processes
 - Managing Ammo Items
- December 2000 Delinquent Contracts Reduced To \$486 Million

DELINQUENT PRODUCT DELIVERIES ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION

- **Future Action**

- Independent Study Of Ammo Base Production Issues
- Involve ICAP Participants With NDIA Sponsorship
- OSC/MAC To Assist In Information Gathering
- Publish Findings And Corrective Action Measures

INDUSTRIAL BASE FOR U.S. WAR FIGHTER GLOBALIZATION ISSUE

- Issue: Globalization Of U.S. Munitions Product Sourcing
- Lessons Learned During Prior Actions (Libya, Desert Storm) Cause Concern
- ICAP Concerns:
 - Availability Of Product Or Re-supply During An Action
 - Ability To Replenish Inventories After An Action
 - Control And Protection Of TDP's

INDUSTRIAL BASE FOR U.S. WAR FIGHTER GLOBALIZATION ISSUE

- ICAP Recommendations:

- Stabilize Programs – Allows For Rational Investment Decisions To Meet USG Needs
- Incentivize U.S. Companies To Look At Foreign Technologies
- Require Transition Of Technology And Know How To U.S. Producers
- Maintain A U.S. Base For All Critical Items And Technologies

BRIGADE COMBAT TEAM - LETHALITY

- Briefed To ICAP April 2000 By TACOM-ARDEC
- Thorough Articulation Of Approach And Objectives
- ICAP Discussion Focused On Apparent Lack Of Lethality
- ICAP Conclusions:
 - Employ Latest Munitions Technology In BCT Lethality Solutions
 - Need For Lethality Enhancement Concurrent With Vehicle Acquisition

FUTURE COMBAT TEAM - LETHALITY

- Briefed To ICAP August 2000 By TACOM-ARDEC
- FCS Lethality Objective – Total Direct And Indirect Fire Overmatch
- FCS Challenge – Change Gun, Ammo, And Fire Control Paradigms
- ICAP Conclusions:
 - ARDEC Multi-role Armament System And Ammunition Suite Roadmap Comprehensive And Essential
 - Proposed Schedule And Costs Appear Optimistic
 - Industry In Full Support Of Gun/Ammo Solution

OSC STRATEGIC PLANNING

- OSC Strategic Plan Briefed To ICAP – 1999
- ICAP Suggested Establishing Group To Provide Feedback To OSC
- ICAP Strategic Planning Subcommittee Formed
- Joint OSC/Industry Strategy Session (March 2000)
- Feedback To OSC (April 2000) – Al Calabrese Briefing

INDUSTRY SECTORS

- Demilitarization
 - William S. Roman (PB/Nammo Demil, LLC) (212-465-5023)
- Fuzes
 - Open at this time
- GOCO's
 - BG William R. Holmes (USA Ret) (Day Zimmermann M&H) (215-299-1567)
- Large Caliber
 - James J. Flaherty (Chamberlain Mfg. Corp) (570-340-1105)
- Medium Caliber
 - Nicholas G. Vlahakis (Alliant Techsystems) (952-931-5000)

INDUSTRY SECTORS

- Propellants and Explosives
 - Robert R. Harris (Armtec Defense Products)
(760-398-0143)
- Pyrotechnics
 - Kent Jacobson (BAE Systems) (512-929-2813)
- Systems
 - Jerry K. Lockard (Raytheon Missile Systems)
(520-794-0373)
- Warheads and Rockets
 - Linda P. Hudson (GDAS) (802-657-6201)

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